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17th May, 1960.COCOM Document 3716.35/4BCOORDINATING COMMITTEERECORD OF DISCUSSIONONITEM 1635 - ALLOYS5th May 1960

Present: Canada, Denmark, France, Germany, Italy, Netherlands, United Kingdom, United States.

References: COCOM Docs. 3416.35/3 and Addendum and Corrigendum and 3716.35/3.

1. The CHAIRMAN drew the Committee's attention to COCOM Doc. 3716.35/3 of the 17th March 1960, in which the French Delegation proposed a certain number of changes in the present text of Item 1635. The Chairman asked the French Delegation if they had anything to add to their statement recorded in the above-mentioned document.

2. The FRENCH Delegate thanked the Chairman and explained that the informal comments so far made on the French Delegation's proposal prompted him to state very clearly the reasons underlying the French position. The Delegate said that the text of Item 1635, as it appeared at present in the Lists, gave trouble to the French customs authorities. In the first place, the heading of Item 1635 - "Alloys". In actual fact Item 1635 sometimes referred to alloys and sometimes to steels. The Delegate pointed out that the word "steel" was nowhere defined in the Lists. This word had been defined for the customs authorities in all the O.E.E.C. countries by a decision taken at international level in Brussels, and recognised by the E.C.S.C., and which had appeared in Chapter 73/15 of the Customs Tariffs drawn up in 1949 by the Study Group for the European Customs Union. This definition was not, however, adopted by the United States who regarded anything containing 55% iron as "steel", whereas in Europe it was sufficient if iron were predominant. Thus a mixture containing 35% iron, 32% molybdenum and 33% nickel was regarded as steel in Europe, but not in the United States. This point therefore warranted discussion in order to avoid differences of interpretation. The Delegate then explained that Item 1635(a)(1) might lead to confusion with Item 1658(b), and that the same applied to Items 1635(a)(2) and 1648(b), since the percentages indicated in both cases did not correspond. Finally the Delegate stated that his Delegation would also like at the same time to settle the problems of alloys where the expansion factor of the metal had to be equal to the expansion factor of glass, i.e. those alloys used especially in the manufacture of certain laboratory apparatus, X-ray bulbs, incandescent lamps, etc.

3. The FRENCH Delegation therefore believed it necessary to change the present wording of Item 1635, and wished to submit the following proposals to the Committee:

- 1) Pending unanimous agreement on the use of the words "alloys" and "steels", the French Delegation suggested that these two key words be included in the heading of the item: Item 1635 - "Alloys and steels, as follows".
- 2) As long as agreement had not been reached on the definition of the word "steel", and to keep to a mere drafting change regardless of what was or was not covered by the embargo, the French Delegation suggested that the high speed tool steels at present mentioned in sub-item (a)(2)(ii) should be transferred to a new sub-item (d) reading as follows (the figures remaining unchanged):

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"(d) high speed tool steels containing more than 10% cobalt, 5% or more chromium and containing nickel."

The Delegate believed that high speed tool steels merited separate mention, and that in view of the proportion of cobalt they contained, it would be more appropriate to class them with steels than with alloys. The Delegate stressed that the French proposal constituted a minimum and aimed solely at clarifying the text of Item 1635 without changing its substance.

4. The UNITED KINGDOM Delegate stated that Item 1635 had been discussed at such length that the words "alloy steels" had been omitted from the heading. He believed that if this heading were restored, most of the difficulties encountered by the customs authorities of member countries would be resolved.

5. The UNITED STATES Delegate stated that his authorities had found no special difficulty in applying the definition of Item 1635.

6. The ITALIAN Delegate stated that the question of the heading of Item 1635 had given rise to no major problems for the Italian control services. The Italian authorities believed that the present definition was the most fitting in order to exclude high speed tool steels having the composition characteristics specified. In view, however, of the technical data submitted by the French experts, the Delegate undertook to submit the French proposal for Item 1635(a) to his authorities. Moreover, since the question was not very urgent, he suggested that the Committee hear that day the various proposals of delegations and resume study of Item 1635 at a later date.

7. The GERMAN Delegate stated that his Delegation supported the United Kingdom proposal to replace the word "alloys" in the present heading of Item 1635 by the words "alloy steels".

8. The UNITED STATES Delegate undertook to transmit the French proposal to his authorities. For his part, he believed that the following changes, which corresponded on the whole to the German and United Kingdom points of view, might solve the problems to which the French Delegation had referred:

- 1) To use the words "Alloy steels" in the heading of the item, as the United Kingdom and German Delegations had suggested.
- 2) To complete sub-item (a) with the words "50% or more iron" after the word "containing".
- 3) In sub-item (a)(2)(ii), to replace the words "high speed tool steels" by "high speed tool alloy steels".

9. The UNITED KINGDOM Delegate wished to support the United States proposal, while recalling that his Delegation would prefer to have the words "containing 50% or more iron" included in the general heading of the item after the words "alloy steels" rather than in sub-item (a). In reply moreover to the point raised by the French Delegate as to the discrepancies to be found in international definitions, the Delegate stated that the Committee worked on the basis of definitions founded on strategic criteria. There was therefore little hope of arriving at definitions similar to those adopted by other organisations, when these definitions were based on other concepts and principles and were intended for different purposes.

10. The FRENCH Delegate stated that the addition of the words "alloy" in the phrase "high speed tool steels" seemed to him to be superfluous, since high speed tool steels were of necessity alloy steels. The French Delegation therefore regretted that they were unable to agree to the United States Delegation's proposal.

11. The CHAIRMAN summed up the discussion by stating that the Committee was faced with two proposals. On the one hand, a French proposal to:

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- 1) Change the heading of Item 1635 to read "Alloys and steels".
- 2) Add a new sub-item (d) to Item 1635 in order to list separately the high speed tool steels at present appearing in sub-item (a)(2)(ii).

On the other hand, there was a United States proposal to:

- 1) Make the heading of Item 1635 "Alloy steels".
- 2) Add after the word "containing" in sub-item (a) the words "50% or more iron."
- 3) In sub-item (a)(2)(ii), include the word "alloy" in the phrase "high speed tool steels".

The United Kingdom Delegation had indicated that they would agree to the United States proposal, although they preferred to have the words "containing 50% or more iron" included in the general heading of the item and thus make them applicable to all the sub-items.

12. The FRENCH Delegate went on to state that the third problem arising involved the alloys used in cases where the metal was joined on to glass, as for instance in incandescent lamps, certain parts of airtight sets, fluorescent tubes, etc. While no very large quantities were involved in such instances and while, as far as the French Delegation were aware, these alloys did not fall under any of the three criteria, they should nevertheless be put into some category. Into which one should they be put? It was of course understood that whatever the definition adopted, these products were sometimes alloys and sometimes steels. Should they be free or under embargo? In the absence of a clear definition, the French Delegation believed that a solution might be found by drafting an exclusion note, like that adopted in the case of strips for watch springs, for which it had been impossible to find an appropriate category. Such a note might be included in the definition of Item 1635 or added to another item. One solution might be for instance to include the main Note in Item 1635 and, as some of these alloys were nickel alloys, to add a new part (v) to sub-item (b) of Item 1661, excluding the alloys listed in the note to Item 1635.

13. The UNITED KINGDOM Delegate stated that in any event this matter would require further discussion. He wished to know, however, if for instance niobium alloys which were covered by Item 1649(c) could be welded to glass, and if the fact that an alloy could be welded to glass meant that it was ipso facto harmless according to the strategic criteria.

14. The FRENCH Delegate stated that to his knowledge there were no niobium alloys which could be welded to glass. As to the applications of such alloys, they were many and varied, but it appeared to him to be exaggerated to regard them as strategic. The Delegate added that these alloys could have the following compositions: from 0% to 30% chromium, from 0% to 50% nickel and from 0% to 20% cobalt, which would make it possible to exclude specifically from the definition niobium and other similar rare metals.

15. The COMMITTEE thanked the French Delegate for the very interesting information he had just supplied, and agreed to resume discussion on Item 1635 on Wednesday, the 1st June.

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